



Office of the Mayor

NEWS RELEASE

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South Bend prepares for \$215 million development

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The first phase of construction on a \$215 million project on the doorstep of the University of Notre Dame will begin this summer as the developer begins clearing the 25-acre site for one of the region's largest single developments in decades.

The South Bend Common Council on Monday unanimously gave final approval to amend the city's zoning ordinance to allow for the Eddy Street Commons "college town" development. The action will revitalize South Bend's northeast neighborhood, creating a mixed-use commercial, office and residential development on the city's northeast side at the intersection of Eddy Street and Edison Road, due south of Notre Dame Stadium.

"This is an extraordinary moment, the culmination of nearly a decade of planning by the city with neighbors, Notre Dame and other partners," said Mayor Stephen J. Luecke, whose administration has worked toward this end since he first became mayor in 1997. "This will be a place of great energy, great creativity and great community where people come together. With the Eddy Street Commons, South Bend will become more than just a wire-service dateline for Notre Dame home football games, but a stronger competitor for economic spending in connection with the state's second-largest tourist destination."

The 25-acre project, being developed by Kite Realty Group of Indianapolis, represents a \$200 million project that includes:

- Two hotels – a nine-story, 248-room Marriott Hotel (with three floors of condominiums) and a six-story, 123-room Springhill Suites.
- 86,500 square feet of retail space, featuring more than 20 stores and restaurants, including a national bookstore chain and an Irish pub mixed with local retailers.
- 75,000 square feet of office space, including some University offices.
- 134 town homes, 52 condominiums and a 1,281-vehicle parking garage.

On a parallel path, a residential area immediately south of the Eddy Street Commons will

experience redevelopment as the neighborhood is re-platted with 60 market-rate and affordable homes. Tax-increment financing supported by the Eddy Street Commons will make the additional \$15 million development possible. In addition, to the east, the city and Notre Dame are working with Project Future, an economic-development organization for St. Joseph County, on a 10-acre technology and research park.

The city is committed to providing the needed infrastructure, including parking, new streets and utilities, to support the project.

Residents of the Northeast Neighborhood along with the City of South Bend have been involved in the planning for more than a decade. While most residents spoke in favor of the project some raised questions about the scale of the development, its impact on a 13-acre wooded area or whether it would impact downtown businesses.

“I believe this development will draw from suburban development more than from downtown,” Luecke said. “It will bring more people back to the downtown area. This project will create vitality, energy and enthusiasm to help grow development in South Bend.”

Throughout public hearings, the developer has been responsive to resident concerns, adding civic open space, bicycle lanes, bicycle paths, bicycle storage units and racks as well as green design principals to the project. The project will preserve 6 of the 13 acres of woods, while the University of Notre Dame plans to build a 12-acre wooded Town Commons across Edison Street, which – unlike the existing site – will be open to the public.

One neighborhood resident said for years he watched neighbors move away from South Bend, urging them to the contrary. “Something is going to happen in South Bend again some day,” he said. “And that day is here.”

The project is expected to create 875 jobs during construction and an additional 330 jobs within the development itself. Another 630 jobs will be indirectly supported by the housing development, which will eliminate 25 vacant houses.

The first stores and restaurants could open in spring or summer of 2009.

The Eddy Street Commons represents one of the largest single development projects for South Bend in decades. Although large mixed-use developments are comparable in eventual scope, they are built over time rather than in the concentrated phases planned for the Northeast Neighborhood revitalization. South Bend’s comparable projects date back to the 1980s when the New Energy Co. ethanol plant was built in 1984 for \$180 million, while construction near New Carlisle for the steel plants I/N Tek in 1987 and I/N Kote in 1989 had costs of \$550 million each.

Compared to retail projects alone, University Park Mall in the South Bend area was only a \$25 million project when it was first built in the 1970s. And two newer developments in neighboring Mishawaka, although comparable in acreage, do not have the concentrated investment. Toscana Park on 32 acres is only a \$30 million project, while Heritage Square is a \$25 million project on 30 acres.